

Administrative Services Department

DEPARTMENT PURPOSE

The Town Manager provides overall administration, leadership, and direction for the Town organization. The Administrative Services Department supports the Town Manager in these functions, and is made up of six key programs, including the Town Manager's Office, Clerk Administration, Customer Service Center, Finance and Administrative Services, Human Resources, and Management Information Systems (MIS). Below is a summary of the Administrative Services Department core services and service objectives.

The Administrative Services Department was formerly known as the Town Manager's Department. This change in name, effective with the 2006/07 fiscal year, more accurately expresses the functions within this department. The Administrative Services Department identifies community issues and needs requiring legislative policy decisions and provides alternative solutions; assures that the Council's policies, programs, and services are effectively and efficiently provided; prepares the Town budget with recommendations on the appropriate resources for Council action; provides research and information necessary for responsible decision making; fosters public awareness of municipal programs, services and goals; responds to resident inquiries by explaining Town services and functions; investigates problems and provides information and specialized assistance in Redevelopment project area development. The Department is also directly responsible for human resources, finance, budgeting, purchasing, labor relations, management information systems, cable television franchise management, equipment replacement, worker's compensation, records management, customer service management, economic vitality, and other administrative support.

BUDGET OVERVIEW

The FY 2007/08 departmental operating budget reflects moderate increases in salary and benefits and maintains prior year expenditure levels. It is anticipated that core services and programs provided by the Administrative Services Department will remain at current service levels. However, because budgeted expenditure levels remain unchanged, resource capacity will continue to be limited, impacting the Town's ability to address unanticipated service requests. Administrative restructuring efforts will continue to be evaluated, implemented, and managed by the Town Manager's Office. The FY 2007/08 budget for the Administrative Services Department includes staffing restructuring in the Town Manager and Town Attorney's Office, Clerk Administration and Human Resources and Management Information Systems Departments to meet service needs. These structural changes are discussed in more detail in the program narratives that follow this section. Administrative restructuring efforts implemented in prior years will continue to be managed by the Town Manager's Office.

ADMINISTRATIVE SERVICES DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
REVENUES						
<i>Licenses and Permits</i>	\$ 1,041,865	\$ 1,056,814	\$ 1,019,386	\$ 1,000,000	\$ 1,050,000	\$ 1,050,000
<i>Intergovernmental Revenues</i>	783	679	593	600	635	600
<i>Service Charges</i>	81,197	40,697	1,000	-	-	-
TOTAL REVENUES	1,123,845	1,098,190	1,020,979	1,000,600	1,050,635	1,050,600
EXPENDITURES						
<i>Salaries and Benefits</i>	1,762,430	1,752,351	1,836,171	1,848,900	1,882,300	1,943,200
<i>Operating Expenditures</i>	207,986	217,733	203,031	302,910	318,702	304,400
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	202,581	180,235	174,720	186,200	188,900	194,700
TOTAL EXPENDITURES	\$2,172,997	\$2,150,319	\$2,213,922	\$2,338,010	\$2,389,902	\$2,442,300

DEPARTMENTAL EXPENDITURES BY PROGRAM

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
PROGRAM						
<i>Town Manager's Office</i>	\$ 366,081	\$ 366,168	\$ 423,225	\$ 446,500	\$ 444,200	\$ 447,500
<i>Human Resources</i>	487,579	500,735	500,024	561,060	593,357	611,350
<i>Finance & Admin Services</i>	986,152	967,541	984,601	1,020,500	1,075,465	1,090,500
<i>Clerk Administration</i>	333,185	315,875	219,900	216,200	213,180	232,400
<i>Customer Service Center</i>	-	-	86,172	93,750	63,700	60,550
TOTAL EXPENDITURES	\$2,172,997	\$2,150,319	\$2,213,922	\$2,338,010	\$2,389,902	\$2,442,300

Note – The above departmental schedule represents a summary of General Fund revenues and expenditures for: Town Manager's Office Administration, Human Resources Program; Finance and Administrative Services; Clerk Administration, and the Customer Service Center Program. Prior to FY 2005/06, the Clerk Administration program was budgeted within Town Offices. This budget presentation reprograms these prior year summaries into the Administrative Services Department for comparison purposes. Those programs within the Administrative Services Department that are not in the General Fund (i.e. the Workers Compensation Program) have applicable fund schedules within their program section.

ADMINISTRATIVE SERVICES DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

<i>General Fund</i>	Authorized Positions	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded	2007/08 Funded
Town Manager	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Analyst	0.85	0.65	0.70	-	-	0.85
Administrative Programs Mgr.	0.70	-	-	0.70	0.70	0.70
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50	0.50
Office Clerk	0.75	0.75	0.55	0.55	0.55	0.55
Human Resources Director	0.80	0.80	0.80	0.80	0.80	0.80
Human Resources Specialist	1.00	1.50	1.20	0.85	0.85	0.25
Finance Director	1.00	1.00	1.00	1.00	1.00	1.00
Finance Manager	1.00	1.00	1.00	1.00	1.00	1.00
Finance Project Coordinator	-	0.75	0.55	-	-	-
Accountant/Finance Analyst	1.35	0.40	0.40	0.40	0.40	0.75
Payroll Specialist	1.00	-	-	-	-	1.00
Sr. Account Technician	-	1.30	1.30	1.35	1.35	-
Account Technician	2.40	2.00	1.60	1.60	1.60	2.40
Sr. Account Clerk	-	1.00	0.80	0.80	0.80	-
Clerk Administrator	0.95	0.75	1.00	1.00	1.00	0.95
Senior Deputy Clerk	-	1.00	1.00	-	-	-
Deputy Clerk	1.70	2.00	1.50	1.45	1.45	0.70
MIS Specialist	0.25	-	-	-	-	0.25
Total General Fund FTEs	16.25	17.40	15.90	14.00	14.00	13.70

NON-General Fund FTEs (located in Administrative Services Department programs unless otherwise noted)

Equipment Replacement

Accountant/Finance Analyst	0.10	-	-	-	-	0.10
Total Equip Replace FTE's	0.10	-	-	-	-	0.10

Worker's Compensation

Human Resources Director	0.20	0.20	0.20	0.20	0.20	0.20
Administrative Analyst	0.15	-	-	-	-	0.15
Human Resources Specialist	-	0.20	0.20	0.15	0.15	-
Total Workers Comp FTEs	0.35	0.40	0.40	0.35	0.35	0.35

Management Information Services

MIS Manager	1.00	1.00	1.00	1.00	1.00	1.00
Network Administrator	1.00	-	-	-	-	1.00
Help Desk Administrator	0.50	-	-	-	-	0.50
MIS Specialist	0.50	2.00	2.00	2.00	2.00	0.50
Administrative Programs Mgr.	0.20	-	-	0.20	0.20	0.20
Finance Project Coordinator	-	0.25	0.25	-	-	-
Total MIS FTEs	3.20	3.25	3.25	3.20	3.20	3.20

ADMINISTRATIVE SERVICES DEPARTMENT

DEPARTMENT STAFFING

	<u>Authorized Positions</u>	<u>2003/04 Funded</u>	<u>2004/05 Funded</u>	<u>2005/06 Funded</u>	<u>2006/07 Funded</u>	<u>2007/08 Funded</u>
<i>Full Time Equivalents (FTE) Continued</i>						
<i>CDBG Program (FTEs located in Community Services Department under Fund 219)</i>						
Accountant/Finance Analyst	0.10	-	-	-	-	0.10
Sr. Account Technician	-	0.20	0.20	0.20	0.20	-
Total CDBG FTEs	0.10	0.20	0.20	0.20	0.20	0.10
<i>Redevelopment Agency (FTEs located in Redevelopment Agency Budget under Fund 930)</i>						
Economic Vitality Manager	0.80	-	-	0.80	0.80	0.80
Total Redevelopment FTEs	0.80	-	-	0.80	0.80	0.80
		<u>2003/04 Funded</u>	<u>2004/05 Funded</u>	<u>2005/06 Funded</u>	<u>2006/07 Funded</u>	<u>2007/08 Funded</u>
<i>CIP Information System Upgrade Project (FTEs located in Capital Improvement Program under Fund 400)</i>						
Accountant/Finance Analyst	0.20	-	-	-	-	0.20
Sr. Account Technician	-	-	-	-	0.20	-
Account Technician	0.60	-	-	-	0.40	0.60
Sr. Account Clerk	-	-	-	-	0.20	-
Total CIP Project FTEs	0.80	-	-	-	0.80	0.80
Total Admin Services FTEs	21.60	21.25	19.75	18.55	19.35	19.05
<i>Temporary Staff</i>						
Project Manager		-	-	-	-	100
Intern		1,105	125	75	75	75
Account Technician		300	-	-	-	-
Mail Room Clerk (Library Dept temps)		-	250	250	250	250
Total Annual Hours		1,405	375	325	325	425

* A 1.0 FTE Accountant / Administrative Analyst position is shared between Finance, Community Development Department (CDD) and the Redevelopment Agency (RDA). Finance has a .40 FTE Accountant,, CDD a .40 FTE Administrative Analyst, and RDA a .20 FTE Administrative Analyst.

Note: Prior to FY 2005/06, Clerk Administration staff was budgeted in Town Offices. For reference, this budget presentation reprograms prior year FTEs into the Administrative Services Department.

Administrative Services Department

TOWN MANAGER'S OFFICE ADMINISTRATION PROGRAM 2010

PROGRAM PURPOSE

The Office of the Town Manager ensures that all Town programs and services are provided effectively and efficiently. The core services of the Town Manager's Office are to: provide administrative direction and leadership for Town departments, programs, and services to ensure the community receives a high level of service; oversee the Town Council agenda process to provide comprehensive information and analysis to Town Council in a timely manner; support business attraction, retention, and marketing through economic vitality efforts; foster public awareness of municipal programs, services, and goals; and provide a satisfactory level of response to resident inquiries, complaints, and requests.

Other key duties include initiating new or special projects that enhance the Town government and community and providing direct staff assistance to the Mayor and Town Council on special projects and day-to-day activities.

BUDGET OVERVIEW

The FY 2007/08 budget for the Town Manager's Office reflects a slight decrease in salary and benefits and maintains expenditure levels. Core services provided by the Manager's Office, such as Council agenda management, general program/policy analysis, economic vitality efforts, public outreach, and customer service initiatives will remain at current levels. It is important to note that because of prior budget reductions and added workload, resource capacity will continue to be limited, impacting the Town's ability to address unanticipated service requests.

Full-time equivalent (FTE) changes in the Town Manager's Office include a staffing reallocation of the Administrative Programs Manager (.30 FTE) to the Clerk Administration program to better reflect actual resource deployment. This reallocation is partially offset by the addition of an Administrative Analyst, which will be shared between the Human Resources Department (.75 FTE), Workers' Compensation Fund (.15 FTE) and Town Manager's Office (.20 FTE). The Analyst will assist with hiring, benefits, training programs, labor negotiations, legislative analysis, and special projects as assigned. This cost-neutral FTE addition has been made possible through structural changes, which include the defunding of vacant positions in the Human Resources Department and Clerk Administration program.

ADMINISTRATIVE SERVICES DEPARTMENT
Town Manager's Office

SUMMARY OF REVENUES AND EXPENDITURES

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
REVENUES						
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	305,420	311,950	364,264	377,400	378,500	375,800
<i>Operating Expenditures</i>	17,672	13,348	15,375	21,000	15,900	21,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	42,989	40,870	43,586	48,100	49,800	50,700
TOTAL EXPENDITURES	\$ 366,081	\$ 366,168	\$ 423,225	\$ 446,500	\$ 444,200	\$ 447,500

FY 2007/08 KEY PROJECTS

Library/Civic Center Strategic Master Plan - It is expected that the Town Council will approve the final Civic Center Master Plan (CCMP) in June, 2007, along with direction regarding next steps. Next steps may include a detailed financial analysis focusing on the first phase(s) of implementation, an outreach and education effort to inform the community about the CCMP and the first phase(s) to be explored, and a follow-up survey to gauge voter support for financing mechanisms to support the first phase(s). If the first phase involves the development of an interim, off-site police facility, the Town Manager's Office will work with the Police Department and other departments on the build-out of the facility and the relocation of designated police services to it.

Cable Television Franchise Agreement Renewal Process – Initiated in 2002, franchise agreement renewal negotiation discussions with Comcast, the Town's cable television provider are continuing, but at a slower rate than originally anticipated. The process has been impacted by recently adopted legislation (AB 2897) which allows telecommunications and cable television operators to apply for a state franchise agreement in lieu of a local franchise agreement. While it is expected that the legislation will not adversely impact local cable television franchise fees, it has stalled the cable television franchise renewal process with Comcast. Staff is working with the Town's telecommunication attorney to assess the legislative situation and identify an appropriate course of action. Policy direction will continue to be provided by the Council Ad Hoc Subcommittee appointed in FY 2003/04 as policy issues arise.

Economic Vitality - The Town's Economic Vitality Program will continue to focus on business attraction, retention, and relationship building with the business and commercial real estate community in coordination with the Town's Executive Team. In addition to building relationships, staff will continue to market the Town for the purposes of increasing Town revenues and enhancing the image of Los Gatos as a special place to live, visit, and do business. The successful "Summer in Los Gatos" and "Hometown for the Holidays" campaigns will be revised into a year-round shop local awareness campaign in FY 2007/08.

∞ ADMINISTRATIVE SERVICES DEPARTMENT ∞
Town Manager's Office

Community Resident Survey – The Manager's Office, in collaboration with other local cities, will conduct a resident survey using the National Citizen Survey, a service offered by the International City/County Management Association (ICMA) and National Research Center, Inc. (NRC). The National Citizen Survey is a cost-effective system for conducting comprehensive and customized surveys of local residents.

Service Levels/Resource Management – Efforts will continue to further quantify Town service levels, identify funding gaps, understand community priorities, and explore service delivery options to align services with available resources as projected in the 5 year forecast.

Emergency Preparedness – In partnership with the Community Emergency Response Team (CERT) and local, state, and regional health and public safety organizations and agencies, the Town Manager's Office will continue to encourage residents and businesses to have a 72-hour resource plan for self-sufficiency during a natural or man-made disaster through strategic marketing and outreach efforts.

Website and E-Government – Parallel with the continued enhancement of the newly redesigned Town website, the Town Manager's Office will continue to coordinate the upgrade of the Town's financial and human resources information system. Due to personnel changes, the project recently experienced a temporary delay. Scheduled to resume in Summer 2007, this upgrade will provide future web services, such as online payments, permitting, and customer service tracking. Given the technical and complex nature of this upgrade, it is anticipated that it will be completed with in the next two years.

Council Policy Committee Support – The Town Manager's Office will continue to provide staff support to the Council Policy Committee. The workplan of this committee is extensive and addresses a variety of complex policy issues.

ADMINISTRATIVE SERVICES DEPARTMENT
Town Manager's Office

KEY PROGRAM SERVICES

- Provides staff support to the Mayor and Town Council
- Provides administrative direction and leadership over Town Departments, programs, and services
- Oversees the Town's organizational and fiscal management efforts and program development and evaluation processes
- Coordinates the preparation of the annual Operating and Capital Budget
- Implements the Town of Los Gatos Strategic Plan
- Oversees and administers the Economic Vitality program
- Oversees the Town Council agenda process
- Oversees the Town's cable television franchise agreement
- Addresses resident complaints, inquiries, and requests
- Provides public information and web management
- Monitors proposed state and federal legislation and coordinates response plan with key legislative organizations
- Oversees special projects and new initiatives, particularly during policy development stages
- Monitors Town interests in regional issues

TOWN MANAGER'S OFFICE STAFFING

Full Time Equivalents (FTE)

	Authorized Positions	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded	2007/08 Funded
Town Staff						
Town Manager	0.45	0.45	0.45	0.45	0.45	0.45
Assistant Town Manager	0.35	0.35	0.35	0.35	0.35	0.35
Administrative Analyst	0.20	0.55	0.70	-	-	0.20
Administrative Programs Mgr.	0.40	-	-	0.70	0.70	0.40
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50	0.50
Economic Vitality Manager*	-	-	-	-	-	-
Office Clerk	0.75	0.75	0.55	0.55	0.55	0.55
Total Manager's Program FTEs	2.65	2.60	2.55	2.55	2.55	2.45

	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded	2007/08 Funded
Temporary Staff Hours					
Intern	500	125	75	75	75
Total Annual Hours	500	125	75	75	75

The Economic Vitality Manager position is included in the Town Manager's Office staffing to reflect the position's alignment with managerial oversight. Funding allocation is distributed .20 FTE in Community Development Administration, and .80 FTE to the Redevelopment Agency's Administration.

ADMINISTRATIVE SERVICES DEPARTMENT
Town Manager's Office

Performance Objectives and Measures	2003/04 Actual	2004/05 Actual	2005/06 Actuals	2006/07 Estimated	2007/08 Budget
1. <i>Provide administrative direction and leadership over Town departments, programs and services to ensure the community receives a high level of service.*</i>					
a. Percentage of residents satisfied or very satisfied with quality of Town services:	93%	93%	93%	93%	93%
b. Percentage of residents rating quality of life as good or excellent:	97%	97%	97%	97%	97%
2. <i>Oversee the Town Council Agenda process to ensure comprehensive information and analysis is provided to the Town Council in a timely manner.</i>					
a. Percentage of Town Council reports available 96 hours prior to Town Council Meetings	85%	93%	93%	93%	93%
3. <i>Foster public awareness of municipal programs, services, and goals.*</i>					
a. Percentage of residents satisfied with the Town's efforts to inform the community about services and events:	85%	85%	85%	85%	85%
4. <i>Provide a satisfactory level of response to citizen inquiries, complaints, and requests.*</i>					
a. Percentage of residents having contact with a Town employee satisfied with the timeliness of response:	85%	85%	85%	85%	85%
b. Percentage of residents having contact with a Town employee satisfied with an employee's courtesy:	90%	90%	90%	90%	90%
c. Percentage of residents having contact with a Town employee satisfied with an employee's competency in handling the issue:	87%	87%	87%	87%	87%

Activity and Workload Highlights	2003/04 Actual	2004/05 Actual	2005/06 Actuals	2006/07 Estimated	2007/08 Budget
1. Number of Town Council agenda reports approved:	400	275	201	220	220
2. Number of community/customer referrals:	250	250	280	280	208

*Customer satisfaction Performance Measures are based on the Town's 2003 survey results.

* A new customer satisfaction survey will be conducted in Fall 2007.



Administrative Services Department

HUMAN RESOURCES PROGRAM 2030

PROGRAM PURPOSE

The purpose of the Human Resources Program is to attract, develop and retain a quality workforce. It accomplishes this by providing effective and efficient employee recruitment and retention, professional development, training, organizational development, compensation and classification administration, employee relations support, safety and workers compensation administration, benefit administration, and policy and procedure development and administration. Employee relations activities emphasize proactive and preventative informal resolution of employee and management concerns. Program staff is responsible for the development of Memorandums of Understanding (MOU) with the Town's three bargaining units and informal discussions with the Town's management and confidential employees.

BUDGET OVERVIEW

Human Resources is emerging from a period of transition that included staff reductions, a change in leadership at the Director level, and a physical move of the Human Resources offices. As an outcome of these changes and the ongoing administrative restructuring in the Town Manager's Office, a new staffing structure is recommended in this budget.

The new staffing structure reduces the number of Human Resources Specialist hours and adds an Administrative Analyst position to be shared with the Town Manager. The new Administrative Analyst will work three-fourths of the time in Human Resources to assist with hiring, benefits, training programs, labor negotiations, and special projects. The remaining one-fourth of the Analyst's time will be spent assisting the Town Manager's Office with legislative analysis and special projects. This cost-neutral FTE addition has been made possible through structural changes, which include the partial defunding of Human Resources Specialist positions and a Deputy Clerk position in the Clerk Administration program.

In summary, Human Resources will be fully staffed with one Director, 30 hours of an Administrative Analyst, and 10 hours of an HR Specialist per week. Funding for the positions is spread across the Human Resources Program, as well as the Workers' Compensation fund. A bank of 100 supplemental hours has also been included to provide professional assistance during peak service periods throughout the year.

It is expected that the new staffing structure will provide a desirable mix of professional, technical, and administrative support to fill the service needs of the organization. Further refinements may be brought forward in the next budget cycle, once positions are filled and evaluated.

To better track expenditures for HR goods and service, minor shifts have been made in various accounts. However, the overall budget for goods and services the same level as last year, adjusted for inflation.

ADMINISTRATIVE SERVICES DEPARTMENT
Human Resources

SUMMARY OF REVENUES AND EXPENDITURES

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
REVENUES						
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	385,318	366,178	386,905	393,200	428,200	436,300
<i>Operating Expenditures</i>	70,853	109,084	90,709	138,560	138,557	143,550
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	31,408	25,473	22,410	29,300	26,600	31,500
TOTAL EXPENDITURES	\$ 487,579	\$ 500,735	\$ 500,024	\$ 561,060	\$ 593,357	\$ 611,350

FY 2007/08 KEY PROJECTS

Human Resources will continue to provide basic personnel services, however significant emphasis will be placed on training, evaluation of employee benefit options, and internal process improvements. Key projects that were initiated in prior fiscal years that will continue in FY 2007/08 include:

Employee Orientation and Training - Staff will review existing orientation practices and integrate new components that will enhance employee understanding of Town policies, benefits, and organizational practices. The goal is to improve new employee understanding of Town values, practices, and operations.

Employee Survey - Surveys will be conducted to measure employee satisfaction with employee benefits administration and training.

Update Class Structure/Specifications - Classification plan will be reviewed for opportunities to restructure and reorganize.

Pre-employment Screening Process - Enhanced screening tools that will assist hiring managers in making selections of new employees have been developed and are ready for implementation and training.

Employee Evaluations - Employee evaluation systems that are more directly linked to measurable performance will be examined and considered for implementation.

Evaluate Employee Funded Benefits - Voluntary employee-funded benefit plans such as flexible spending accounts, college tuition programs, and voluntary health and welfare benefit programs will be analyzed and considered for possible implementation.

⌘ ADMINISTRATIVE SERVICES DEPARTMENT ⌘
Human Resources

KEY PROGRAM SERVICES

- Provides effective administration of employee relations program
- Conducts employee training and organizational development assessments
- Administers employee benefits
- Administers recruitment and selection program
- Administers classification and compensation plans
- Provides information and interpretation regarding Town Personnel Rules, regulations and procedures, MOU and ordinances
- Effectively resolves personnel issues
- Maintains employee personnel files, records, and documentation
- Administers the workers' compensation and safety programs
- Develops, implements, and maintains administrative policies and procedures
- Serves as advisor to employee recognition program
- Provides support for Personnel Board activities

HUMAN RESOURCES PROGRAM STAFFING

Full Time Equivalents (FTE)

<i>Town Staff</i>	Authorized Positions	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded	2007/08 Funded
Town Manager	0.30	0.30	0.30	0.30	0.30	0.30
Assistant Town Manager	0.50	0.50	0.50	0.50	0.50	0.50
Human Resources Director	0.80	0.80	0.80	0.80	0.80	0.80
Human Resources Specialist	1.00	1.50	1.20	0.85	0.85	0.25
Administrative Analyst	0.65	0.10	-	-	-	0.65
Total Human Resources FTEs	3.25	3.20	2.80	2.45	2.45	2.50

<i>Temporary Staff Hours</i>	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded	2007/08 Funded
Project Manager	-	-	-	-	100
Total Annual Hours	-	-	-	-	100

ADMINISTRATIVE SERVICES DEPARTMENT
Human Resources

Performance Objectives and Measures	2003/04 Actual	2004/05 Actual	2005/06 Actuals	2006/07 Estimated	2007/08 Budget
1. <i>To provide effective and efficient employee recruitment and retention.</i>					
a. Percentage of managers rating Human Resources as good or excellent based on quality of service:	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>
b. Percentage of time a candidate pool is produced within time frame mutually agreed to by the hiring department and Human Resources:	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>	75%	75%
2. <i>To provide effective and efficient benefits administration.</i>					
a. Percentage of employees rating benefit program material, products and services as good to excellent:	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>	75%
3. <i>To provide effective and efficient professional development, training, and organizational development.</i>					
a. Percentage of employees rating the effectiveness of training classes as good to excellent:	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>
b. Percentage of employee evaluations completed by due date:	48%	85%	65%	66%	90%
4. <i>To provide effective and efficient safety programs.</i>					
a. Percentage of employees rating safety programs as good or excellent based on quality, content and response:	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>
5. <i>To provide effective and efficient employee relations support.</i>					
a. Percentage of labor agreements ratified prior to expiration of existing contracts:	100%	100%	100%	50%	100%

Activity and Workload Highlights	2003/04 Actual	2004/05 Actual	2005/06 Actuals	2006/07 Estimated	2007/08 Budget
1. Number of (full-time, part-time and temporary) employees:	216	203	199	195	200
2. Number of recruitments conducted:	10	15	12	22	15
3. Number of employment applications processed:	292	400	761	900	750
4. Number of Workers' Compensation claims filed:	22	11	17	15	15
5. Percentage of eligible employees participating in deferred compensation:	49	50	40	42	50
6. Number of sick leave hours used per benefitted employee:	48.5	56	35	30	40

Administrative Service's Department

FINANCE & ADMINISTRATIVE SERVICES PROGRAM 2050

PROGRAM PURPOSE

The Finance and Administrative Services Program provides staff support to assure both legal and fiscal accountability to the public. The Finance program's core services are to: provide financial oversight and administer accounting functions for all of the Town's funds and accounts; prepare the Town's Annual Operating and Capital Budgets for fiscal and service accountability; coordinate the annual financial audit and preparation of the Comprehensive Annual Financial Report (CAFR) to verify proper fiscal practices are maintained; administer the Town's Business License, Accounts Payable, Accounts Receivable, and Payroll functions and oversee the Town's Purchasing and Claims Administrations functions, ensuring proper practices are in place, and that fiscal and operational responsibility is upheld.

BUDGET OVERVIEW

The Finance Department's FY 2007/08 budget reflects goods and services continuing at prior year levels, and personnel expenditures reflecting minor adjustments for cost of living increases. Reduced staffing levels initiated from budget reductions over the last several years continue to impact the department's workload capacity. Although staffing reductions are offset with the implementation of operating efficiencies where possible, it is important to note that resource capacity continues to be limited, impacting the Town's ability to address unanticipated service requests.

With the planned implementation of the new Finance and Human Resources information system, additional staffing time is required to meet workload needs for this project. Therefore, staffing levels that were reduced with budget reductions in FY 2004/05 will be reinstated to assist with the system implementation and charged to this project. FY 2007/08 continues the second year funding of staff time which is reflected in the Capital Improvement Program's Information System Upgrade project rather than in the Finance and Administrative Services Program. As a result, this General Fund program reflects ongoing staffing levels and workload consistent with the prior year for general finance operations.

Business License Tax revenues are consistent with the prior year. Tax rates are established by Town Ordinance, meaning tax rates are set until increased by 2/3 voter approval. Therefore, revenue growth occurs through either an increase in business gross receipts, or an increase in the number of licensed businesses operating in town. With local economic indicators continuing to suggest a stabilizing but sluggish economy over the next year, the Finance Department's Business License Tax revenue projections are holding steady at FY 2005/06 levels. Staff will continue its efforts to improve audit and revenue collection efficiencies to build the ongoing business license tax base, with an emphasis on ensuring fairness and equity in the business community. These efforts will also include the exploration of licensing commercial property owners.

ADMINISTRATIVE SERVICES DEPARTMENT
Finance & Administrative Services

SUMMARY OF REVENUES AND EXPENDITURES

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
REVENUES						
<i>Licenses and Permits</i>	1,041,865	1,056,814	1,019,386	1,000,000	1,050,000	1,050,000
<i>Intergovernmental Revenues</i>	783	679	593	600	635	600
<i>Service Charges</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 1,042,648	\$ 1,057,493	\$ 1,019,979	\$ 1,000,600	\$ 1,050,635	\$ 1,050,600
EXPENDITURES						
<i>Salaries and Benefits</i>	818,155	821,724	835,746	837,300	858,800	903,900
<i>Operating Expenditures</i>	85,993	72,208	79,288	116,100	144,765	116,100
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	82,004	73,609	69,567	67,100	71,900	70,500
TOTAL EXPENDITURES	\$ 986,152	\$ 967,541	\$ 984,601	\$ 1,020,500	\$ 1,075,465	\$ 1,090,500

FY 2007/08 KEY PROJECTS

Financial System Upgrade – The Finance Department has begun the design and implementation of a financial/personnel information system upgrade that will allow the Town to better support operations and meet community needs. Implementation of this project will require significant internal resources involving all departments. The project is currently on hold due to vacancy at the Finance Manager position, but should have significant progress in FY 2007/08.

GASB 45 Implementation - Governmental Accounting Standards Board's (GASB) Statement 45 requires that non-pension benefits for retirees, such as retiree health care be shown as an accrued liability on financial statements, similar to pension benefits. Finance staff continues to work with an actuarial during FY 2007/08 to ensure the Town's required deadline of December 15, 2007 is met.

Certificate of Participation Project Accounting – Provide financial oversight and project claim accounting for the Town's Redevelopment Agency 2002 Certificate of Participation.

Performance Based Budget Development – With the planned emphasis for future operating budgets to be based on performance management, Finance will continue to assist the Town Manager's Office in the restructuring of the budget process and document to incorporate meaningful performance measures into budgeting decisions.

Policies and Procedure Improvements – Staff time will be devoted to developing efficiencies in contract and procurement functions, as well as financial aspects of various administrative policies and procedures, in coordination with the new financial system. Staff will emphasize financial skill building to increase organizational knowledge and coordination into Town-wide financial and administrative processes.

∞ ADMINISTRATIVE SERVICES DEPARTMENT ∞
Finance & Administrative Services

KEY PROGRAM SERVICES

- Develop and monitor the Town's annual operating and capital budgets in accordance with Governmental Finance Officer Association (GFOA) guidelines
- Coordinate the annual audit of the Town's financial statements and preparation of the Comprehensive Annual Financial Report (CAFR)
- Maintain the Town's financial information system for record-keeping and reporting of all financial transactions
- Provide Accounts Payable and Payroll disbursement and reporting services; Accounts Receivable invoicing, revenue collection, and cash reconciliation; and Business License Tax processing and auditing services
- Provide accounting, arbitrage reporting, and claim reimbursement services for bond issues
- Provide oversight of procurement functions including Purchase Order processing, financial tracking of contracts, vendor resolution issues, and proper accounting allocation

FINANCE & ADMINISTRATIVE SERVICES PROGRAM STAFFING

Full Time Equivalents (FTE)

<i>Town Staff</i>	Authorized Positions	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded	2007/08 Funded
Town Manager	0.25	0.25	0.25	0.25	0.25	0.25
Assistant Town Manager	0.15	0.15	0.15	0.15	0.15	0.15
Finance Director	1.00	1.00	1.00	1.00	1.00	1.00
Finance Manager	1.00	1.00	1.00	1.00	1.00	1.00
Finance Project Coordinator	-	0.75	0.55	-	-	-
Accountant/Fin Analyst*	1.35	0.40	0.40	0.40	0.40	0.75
Payroll Specialist	1.00	-	-	-	-	1.00
Sr. Account Technician	-	1.30	1.30	1.35	1.35	-
Account Technician	2.40	2.00	1.60	1.60	1.60	2.40
Sr. Account Clerk	-	1.00	0.80	0.80	0.80	-
Total Finance Services FTEs	7.15	7.85	7.05	6.55	6.55	6.55

<i>Temporary Staff</i>	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded	2007/08 Funded
Account Technician	300	-	-	-	-
Mail Room Clerk	-	250	250	250	250
Total Annual Hours	300	250	250	250	250

* Two positions are shared between multiple departments including Finance, Treasurer, CDD, CDBG, RDA, Equipment Replacement and CIP Information Systems Upgrade.

ADMINISTRATIVE SERVICES DEPARTMENT
Finance & Administrative Services

Performance Objectives and Measures	2003/04 Actual	2004/05 Actual	2005/06 Actuals	2006/07 Estimated	2007/08 Budget
1. <i>Assure legal and fiscal accountability to the public, in compliance with established accounting standards.</i>					
a. Town Financial Statements receive an 'Unqualified Opinion' from the Town's independent auditor:	Yes	Yes	Yes	Yes	Yes
b. Governmental Finance Officer Association (GFOA) 'Certificate of Achievement of Excellence in Financial Reporting' awarded to the Town:	Yes	Yes	Yes	Yes	Yes
2. <i>Prepare accurate budget forecasts and workplans in compliance with standard budgeting practices.</i>					
a. Percent of time actual expenditures do not exceed a fund's approved budget appropriations:	85%	82%	82%	85%	85%
b. Governmental Finance Officer Association (GFOA) 'Certificate of Achievement of Excellence in Budgeting' awarded to the Town:	Yes	Yes	Yes	Yes	Yes
3. <i>Provide timely and accurate financial reports within specified deadlines.</i>					
a. Percent of State Controller's annual financial reports completed and filed by deadlines:	100%	100%	100%	100%	100%
b. Percent of County annual financial reports completed and filed by deadlines:	100%	100%	100%	100%	100%
c. Percent of time revenue analyses are completed within 30 days of month-end:	83%	100%	100%	100%	100%
d. Percent of time bank statements are reconciled to general ledger within 30 days of month-end:	83%	100%	100%	100%	100%
4. <i>Provide financial oversight and administer accounting functions for all Town funds and accounts.</i>					
a. Percentage of Accounts Payable invoices paid accurately:	99%	99%	99%	99%	99%
b. Percentage of Payroll checks paid accurately and on time:	99%	99%	99%	99%	99%

Activity and Workload Highlights	2003/04 Actual	2004/05 Actual	2005/06 Actuals	2006/07 Estimated	2007/08 Budget
1. Number of general ledger corrections needed due to processing errors:	40	39	45	45	40
2. Annual number of invoices entered into the Accounts Payable system:	10,552	8,225	8,600	8,600	7,600
3. Average number of Accounts Payable checks issued weekly:	100	96	95	92	92
4. Average number of regular and temporary employee payroll checks issued bi-weekly:	194	196	196	195	196
5. Number of Business Licenses issued annually:	3,500	3,724	3,700	3,700	3,700

Administrative Services Department

CLERK ADMINISTRATION PROGRAM 2060

PROGRAM PURPOSE

The Clerk Administration Program serves the public by providing information and assistance related to Town records and elections. Currently, the core services of the department include maintaining key Town records through the timely indexing of resolutions, ordinances, and agreements and processing board and commission recruitment applications within established timelines and assisting in the coordination of Town-related election activities. The Clerk Department is also responsible for administering the Town Customer Service Center through the centralization of customer service requests.

BUDGET OVERVIEW

The FY 2007/08 budget for the Clerk Department reflects a moderate increase in salary and benefits and maintains expenditure levels. Increases in salary and benefits are due to staffing reallocations to better reflect resource deployment. These include the Administrative Programs Manager (.30 FTE) for administrative oversight and the MIS Specialist (.25 FTE) to provide contract administration and insurance coordination support. The MIS Specialist is a shared position between the Clerk and Management Information Systems (MIS) Departments and Self-Liability Insurance Fund. Core services such as the management and coordination of Town records, board and commission recruitment applications, and Customer Service Center will be maintained at existing levels.

ADMINISTRATIVE SERVICES DEPARTMENT
Clerk Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
REVENUES						
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	81,197	40,697	1,000	-	-	-
TOTAL REVENUES	\$ 81,197	\$ 40,697	\$ 1,000	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	253,537	252,499	168,115	154,600	157,700	172,500
<i>Operating Expenditures</i>	33,468	23,093	16,274	23,800	17,680	20,300
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	46,180	40,283	35,511	37,800	37,800	39,600
TOTAL EXPENDITURES	\$ 333,185	\$ 315,875	\$ 219,900	\$ 216,200	\$ 213,180	\$ 232,400

Note - Prior to FY 2005/06, the Clerk Administration Program was budgeted in Town Offices. This budget presentation reprograms these prior year summaries into the Administrative Services Department.

2007/08 KEY PROJECTS

Records Management Policy – The Clerk Administration Program will continue to develop a Records Management Policy and Program in conjunction with a Town-wide Records Management Task Force. This project will further enhance the accessibility of Town records for both the general public and Town staff. It will also better identify the Town's records; reduce costs associated with search and retrieval of records, duplication, and storage; and protect records which are vital to the operation of the Town government in the event of a disaster. This project prepares all Town records for the future implementation of an electronic records management system, which may be explored in FY 2007/08 if staff capacity is available.

Customer Service Center – Under the guidance of the Town Manager's Office, the Clerk Administration Program will continue to centralize customer service requests and other applicable Town-wide administrative processes to further enhance service to Town customers and operational efficiencies.

⌘ ADMINISTRATIVE SERVICES DEPARTMENT ⌘
Clerk Administration

KEY PROGRAM SERVICES

- Provides public notice of Council, Commission and Board meetings
- Provides public notice of Town Board, Commission, and Committee vacancies
- Accepts and files appropriate documents associated with municipal elections
- Acts as Filing Official for the Town's Conflict of Interest Code in conformance with the requirements of the Fair Political Practices Commission
- Preserves and maintains the Town records and legislative history
- Administers the Town's Customer Service Center
- Quarterly reports to the Elected Town Clerk

CLERK ADMINISTRATION STAFFING

Full Time Equivalents (FTE)

<i>Town Staff</i>	Authorized Positions	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded	2007/08 Funded
Administrative Programs Mgr.	0.30	-	-	-	-	0.30
Clerk Administrator	0.55	0.75	1.00	0.75	0.75	0.55
Senior Deputy Clerk	-	1.00	1.00	-	-	-
Deputy Clerk	0.90	2.00	1.50	0.75	0.75	0.35
MIS Specialist*	0.25	-	-	-	-	0.25
Total Clerk Admin FTEs	2.00	3.75	3.50	1.50	1.50	1.45

<i>Temporary Staff</i>	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded	2007/08 Funded
Intern	605	0	0	0	0
Total Annual Hours	605	-	-	-	-

* The MIS Specialist position is shared between the Clerk Administration (.25 FTE), Town Attorney (.25 FTE- Liability Self-Insurance) and Management Information Systems (.50 FTE).

ADMINISTRATIVE SERVICES DEPARTMENT
Clerk Administration

Performance Objectives and Measures	2003/04 Actual	2004/05 Actual	2005/06 Actuals	2006/07 Estimated	2007/08 Budget
1. <i>Provide efficient and effective indexing of key documents to ensure adequate tracking of and accessibility to the Town's legislative history.</i>					
a. Percentage of resolutions, agreements, and ordinances indexed within five business days:	99%	99%	99%	99%	99%
b. Percentage of Town Council Minutes prepared within three business days:	<i>Data Not Available</i>	<i>Data Not Available</i>	95%	95%	95%

Activity and Workload Highlights	2003/04 Actual	2004/05 Actual	2005/06 Actuals	2006/07 Estimated	2007/08 Budget
1. Number of resolutions indexed:	187	185	138	160	160
2. Number of commission and board recruitments and appointments processed:	55	55	78	75	75
3. Number of agreements indexed:	<i>Data Not Available</i>	<i>Data Not Available</i>	187	195	195
4. Number of documents recorded:	<i>Data Not Available</i>	<i>Data Not Available</i>	92	100	100
5. Number of Legal Notices published within established timelines:	<i>Data Not Available</i>	<i>Data Not Available</i>	136	130	130
6. Number of Fair Political Practices Commission (FPPC) Form 700:	<i>Data Not Available</i>	<i>Data Not Available</i>	129	130	130
7. Number of bids processed and project files monitored for final action:	<i>Data Not Available</i>	<i>Data Not Available</i>	12	15	15
8. Number of legislative files maintained following Council action:	<i>Data Not Available</i>	<i>Data Not Available</i>	400	400	400
9. Number of Town records processed for retention:	<i>Data Not Available</i>	<i>Data Not Available</i>	1,100	1,100	1,100
10. Number of required insurance certificates verified:	<i>Data Not Available</i>	<i>Data Not Available</i>	246	250	250

Administrative Services Department

CUSTOMER SERVICE CENTER PROGRAM 2065

PROGRAM PURPOSE

The purpose of the Customer Service Center is to improve customer service, centralize customer requests for information or assistance, and consolidate select Town-wide clerical and administrative processes to further enhance operational efficiencies.

The Customer Service Center, located in the Clerk Department is the main point of contact for customers seeking assistance via telephone or in person. Recognizing that the Customer Service Center will continue to evolve based on organizational capacity and community needs, the core services of the Customer Service Center include:

- Providing effective and efficient service to customers via telephone and in person;
- Enhancing inter-departmental efficiencies through a general, yet broad knowledge of Town services, programs and functions to address a wide range of customer inquiries or questions; and
- Coordinating clerical and administrative processes for various customer-related Town programs

BUDGET OVERVIEW

The FY 2007/08 operating budget for the Customer Service Center reflects a decrease in salary and benefits due to staffing reallocations, and maintains prior year expenditure levels. Services such as customer telephone and counter support and residential/business parking permits and other consolidated services will continue to be delivered. Neighborhood Center reservations, however, will be coordinated by the Community Services Department to improve service delivery and efficiency.

ADMINISTRATIVE SERVICES DEPARTMENT
Customer Service Center

SUMMARY OF REVENUES AND EXPENDITURES

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
REVENUES						
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	-	-	81,141	86,400	59,100	54,700
<i>Operating Expenditures</i>	-	-	1,385	3,450	1,800	3,450
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	3,646	3,900	2,800	2,400
TOTAL EXPENDITURES	\$ -	\$ -	\$ 86,172	\$ 93,750	\$ 63,700	\$ 60,550

2007/08 Key Projects

Continued Enhancement of Customer Service Center – Staff continues to evolve the Customer Service Center to centralize key customer services and applicable clerical and administrative processes to improve customer service and inter-departmental efficiencies. This process will include an ongoing assessment of the Center's capacity to absorb various administrative programs, and required training and skills needed to provide services.

∞ ADMINISTRATIVE SERVICES DEPARTMENT ∞
Customer Service Center

KEY PROGRAM SERVICES

- Provide efficient and effective customer service through the continual expansion of the Center's knowledge base and skills
- Centralize and coordinate key customer, clerical, and administrative processes to further enhance inter-departmental efficiencies and customer service

CUSTOMER SERVICE CENTER STAFFING

Full Time Equivalents (FTE)

<i>Town Staff</i>	Authorized Positions	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded	2007/08 Funded
Clerk Administrator	0.40	-	-	0.25	0.25	0.40
Deputy Clerk	0.80	-	-	0.70	0.70	0.35
Total Clerk Admin. FTEs	1.20	-	-	0.95	0.95	0.75

ADMINISTRATIVE SERVICES DEPARTMENT
Customer Service Center

Performance Objectives and Measures	2003/04 Actual	2004/05 Actual	2005/06 Actuals	2006/07 Estimated	2007/08 Budget
1. <i>Provide a satisfactory level of response for customer counter service.</i>					
a. Percentage of customers satisfied with services:	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Data Not Available</i>	<i>Under Development</i>

Activity and Workload Highlights	2003/04 Actual	2004/05 Actual	2005/06 Actuals	2006/07 Estimated	2007/08 Budget
1. Number of citizen inquiries and requests for information received and addressed:	18,000	18,000	18,000	22,500	22,500
2. Number of residential parking permits processed:	<i>Data Not Available</i>	<i>Data Not Available</i>	697	790	790
3. Number of business parking permits processed:	<i>Data Not Available</i>	<i>Data Not Available</i>	28	31	31
4. Number of neighborhood rental applications processed:	<i>Data Not Available</i>	<i>Data Not Available</i>	67	75	75

Administrative Services Department

NON-DEPARTMENTAL PROGRAM PROGRAM 1111

PROGRAM PURPOSE

Appropriated funds are provided in the Non-Departmental Program to account for a variety of Town services and activities not specifically attributable to individual departments. Tax revenues, license and permit fees, and intergovernmental revenues are generated as a result of overall government operations. Non-departmental employee and retiree expenses, town-wide organizational costs, Town memberships, and joint-agency service agreements benefiting the entire Town are also accumulated in the Non-Departmental Program. Debt service and the related lease payments also flow in and out as non-departmental expenses in accordance with the bonding structure set up for the Redevelopment Agency's 1992 and 2002 Certificates of Participation. These pass-through expenses account for almost half of the annual program expenditures.

BUDGET OVERVIEW

The majority of the Town's general revenues are accounted for in the Non-Department Program. Current trends in the various tax revenues display signs that the local economy continues to recover. The FY 2007/08 proposed General Fund budget assumes continuing conservative growth trends approximating 3 to 5% per year for most categories of revenue. The budgeted sales tax for FY 2007/08 represents a 7.65 % increase from the FY 2006/07 adopted budget, reflective of positive overall growth for this vital revenue source for the Town. The growth is due mainly to continued increases in collections from Netflix, whose taxable sales increases have helped offsets approximate annual ongoing losses of \$400,000 to \$500,000 resulting from closure or relocation of three local auto dealerships in the past two fiscal years. Property taxes, the second largest revenue source to the General Fund, were forecasted to increase 5.62 % from the prior year's adopted budget based upon conservative estimates using current tax collection data. Economically sensitive and other revenue sources, including Franchise Fees, Transient Occupancy Tax (TOT), Intergovernmental Revenue, and Charge for Services are expected to continue their positive trajectory, coupled with the Town's proactive effort to reduce operating budget costs, retain and protect vital revenue sources, and to align organizational services with projected revenue streams.

∞ ADMINISTRATIVE SERVICES DEPARTMENT ∞
Non-Departmental

In recent years, the Town, like all California cities, has experienced a significant increase in the employer's share of its public retirement system contributions, a cost factor that is in large measure immune to employer control. The adoption in FY2000/01 of a new safety employee's retirement formula (3% at 50) and several years of negative investment returns in the State of California PERS pension system have contributed to increases in retirement contributions paid by the Town. Town employer rates for FY 2007/08 as determined by CalPERS are slightly higher than the current year for Town "miscellaneous" classified employees, rising from 12.663% of covered payroll to 12.990%. Conversely, the rates for "sworn" public safety employees are expected to lower slightly next year from 33.990% to 33.549% of covered payroll. The current rates are significantly higher than rates charged by PERS as recently as FY 2004/05 which were 8.005% for miscellaneous employees and 16.010% in FY 2003/04 for sworn public safety employees. Accordingly, the current employer rates have nearly doubled for miscellaneous employees and more than doubled for sworn employees in comparison to rates a few years ago and are anticipated to remain at historically high levels in the future.

Non-Departmental expenditures reflect an 18.6% increase from the prior year's adopted budget due to adjustments in salary and benefits and contract services. As has been the case in past years, the Non-Departmental Program will continue to fund:

- \$347,500 for potential increases to the employee leave liability reserve at year end and staffing adjustments in FY 2006/07. Another \$50,000 is funded for executive recruitments and job studies.
- \$250,000 for the cost of covering the Town's portion of retiree medical insurance premiums. The Town has paid for this expense since the Town became a member of the California Public Employees Retirement System (PERS) medical plan as it is part of the PERS agreement.
- \$249,250 for the lease payment on the Town's Parking Lot #4 structure as pledged under the 1992 Certificates of Participation. This payment is fully offset by a reimbursement from the Redevelopment Agency, with a result of no net impact on the Town's General Fund budget.
- \$681,540 for the lease payment on the Town's Corporation Yard property as pledged under the 2002 Certificates of Participation. This payment is also fully offset by a reimbursement from the Redevelopment Agency, with a result of no net impact on the Town's General Fund budget.
- \$128,000 for the County's Tax Administration fee for collecting and processing of the Town's assorted tax receipts, representing an increase of \$10,000 from the prior year.
- \$100,000 for Town Manager's Contingency, to be used to provide budgets for unforeseen situations or opportunities that may arise during the fiscal year.
- \$100,000 for Town Manager's Productivity, to be used to provide funding for one time initiatives that result in streamlining or innovations to improve existing services or reduce costs.
- \$48,000 for the Los Gatos Chamber of Commerce contract to provide support for the Chamber's information center and implementation the Town's Leadership Los Gatos program.
- \$190,000 for animal control services provided by the City of San Jose. The Town entered into a 20 year agreement with the City of San Jose, effective July 1, 2004.
- \$31,000 to fund the annual KCAT Grant and \$50,000 to fund video operation services to televise Town Council and Planning Commission meetings.

⌘ ADMINISTRATIVE SERVICES DEPARTMENT ⌘
Non-Departmental

- \$68,000 to fund equipment for the Town's Emergency Operation Center (EOC), including a fuel trailer for emergency generators and notebook computers to develop a wireless-networked EOC, and a Town-wide campaign to enhance community preparedness efforts in the event of a natural or man-made emergency.

The net operating budget will also continue to support the Capital Improvement Program in FY 2007/08 with an Operating Transfer of \$525,000 to the General Fund Appropriated Reserves (GFAR) Fund and \$247,980 to the Solid Waste Fund. Additional transfers support the Parking Management Program and the CDBG Program.

ADMINISTRATIVE SERVICES DEPARTMENT
Non-Departmental

SUMMARY of REVENUES & EXPENDITURES

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
REVENUES						
<i>Property Tax</i>	5,207,381	5,302,061	5,831,822	6,369,900	6,469,440	6,727,220
<i>VLf Backfill Property Tax</i>	-	1,554,932	1,923,378	1,879,500	1,990,550	2,030,360
<i>Sales & Use Tax</i>	6,914,526	7,904,130	8,655,566	7,646,000	8,100,140	8,231,100
<i>Franchise Fees</i>	930,997	942,648	1,130,190	1,013,500	1,238,940	1,603,180
<i>Transient Occupancy Tax</i>	829,026	868,908	1,028,664	930,000	1,000,000	1,000,000
<i>Licenses & Permits</i>	30,074	30,000	30,000	31,500	20,000	-
<i>Intergovernmental Revenues</i>	2,277,693	1,342,865	1,713,469	1,172,780	1,254,643	1,209,990
<i>Charges for Services</i>	511,211	533,332	559,970	580,590	576,990	596,600
<i>Fines & Forfeitures</i>	16,050	-	-	-	-	-
<i>Interest</i>	98,663	137,500	157,264	150,000	150,000	150,000
<i>Other Sources</i>	42,032	335,031	2,805,283	326,500	326,600	359,130
<i>Transfers In</i>	1,018,322	312,381	430,839	221,850	119,730	184,110
TOTAL REVENUES	17,875,975	19,263,788	24,266,445	20,322,120	21,247,033	22,091,690
EXPENDITURES						
<i>Salaries and Benefits</i>	90,251	130,028	51,741	325,000	325,000	347,500
<i>Operating Expenditures</i>	593,160	689,094	654,477	1,300,940	911,626	1,409,400
<i>Grants and Awards</i>	31,000	64,499	66,667	65,800	70,000	79,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Public Buildings & Equip</i>	-	300,000	-	-	-	-
<i>Debt Service</i>	930,177	930,710	932,122	931,080	931,080	930,790
TOTAL EXPENDITURES	1,644,588	2,114,331	1,705,007	2,622,820	2,237,706	2,766,690
<i>Transfer out to Pkg Mgmt</i>	198,770	181,784	67,009	284,400	198,301	184,260
<i>Transfer out to CDBG</i>	-	1,092	664	25,150	-	-
<i>Transfer out to GFAR</i>	75,000	75,000	475,000	150,000	566,036	525,000
<i>Transfer out to Solid Waste</i>	-	-	-	-	-	280,110
TOTAL OPERT'G BUDGET	\$1,918,358	\$2,372,207	\$2,247,681	\$3,082,370	\$3,002,043	\$3,756,060

Administrative Services Department

MANAGEMENT INFORMATION SYSTEMS FUND 685

FUND PURPOSE

Management Information Systems (MIS) supports the delivery of services to all the Town's customers through the use of SMART technology (Sensible, Multi-modal, Accessible, Responsive, and Time phased technology). Key services include the maintenance, replacement, and upgrade of existing technology, and the support for new information technology initiatives.

In meeting the organization's information technology needs, the MIS program strives to achieve the following goals:

- Continuously enhance and improve customer service
- Maintain and enhance a sound and reliable IT infrastructure
- Use information technology to provide seamless services
- Operate as a team to achieve information technology goals

BUDGET OVERVIEW

The FY 2007/08 budget for Management Information Systems (MIS) recognizes the continued need to identify and invest in information technology opportunities. Continued investment in information technology is a cost-effective approach to maintaining, or potentially increasing, service delivery levels in times of fiscal constraints. The MIS budget maintains current service level operations.

The Management Information System (MIS) Program receives revenues through charges to General Fund and Special Revenue departmental programs based on employee category and equipment replacement costs. Service rates are adjusted to build fund balance capacity for future technology projects. The undesignated fund balance is incrementally programmed to replace current technologically, outdated financial system, the Town's telephone system, and to implement a document management system.

Under the Information Technology Strategic Plan guidelines approved in June of 2003, the FY 2007/08 MIS Program budget carries forward the appropriations set aside for assorted IT Master Plan approved projects. Major projects planned for FY 2007/08 include upgrading the financial tracking system, replacing Police patrol mobile data systems, and researching possible document management systems.

ADMINISTRATIVE SERVICES DEPARTMENT
Management Information Systems

The FY 2007/08 budget reflects staffing modifications to assist in the management of the Town's growing information technology system requirements. The Network Administrator, which previously supported both Town-wide and public safety information systems, will be fully allocated to the Police Department to manage and maintain its growing technology needs. To meet Town-wide and other department-specific system needs, a .50 FTE Information Technology (IT) Help Desk support position will be added. Approximately .25 FTE of this position would be funded through community development fees to support the online permit tracking system. The remaining .25 FTE would be offset by the partial reallocation (.50 FTE) of the MIS Specialist to the Clerk Department and Self-Insurance Liability Fund to provide contract and insurance administration coordination support.

STATEMENT OF SOURCE AND USE OF FUNDS

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
SOURCE OF FUNDS						
Beginning Fund Balance						
Undesignated	1,895,800	2,225,582	2,401,732	2,580,869	2,580,869	2,071,336
Total Beginning Fund Balance	1,895,800	2,225,582	2,401,732	2,580,869	2,580,869	2,071,336
Revenues						
Charges for Services	832,881	831,765	822,041	838,200	851,000	925,530
Other Sources	-	48	-	-	-	-
Total Revenues	832,881	831,813	822,041	838,200	851,000	925,530
TOTAL SOURCE OF FUNDS	\$2,728,681	\$3,057,394	\$3,223,773	\$3,419,069	\$3,431,869	\$2,996,866
USE OF FUNDS						
Expenditures						
Salaries and Benefits	306,896	333,951	365,340	378,400	334,443	414,800
Operating Expenditures	196,203	261,260	261,328	497,770	405,500	640,100
Fixed Assets/Special Projects	-	60,452	16,236	302,300	-	280,800
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	503,099	655,663	642,904	1,178,470	739,943	1,335,700
Operating Transfers						
Transfer to GFAR	-	-	-	525,000	620,590	46,100
Total Operating Transfers	-	-	-	525,000	620,590	46,100
Ending Fund Balance						
Undesignated	2,225,582	2,401,732	2,580,869	1,715,599	2,071,336	1,615,066
Total Ending Fund Balance	2,225,582	2,401,732	2,580,869	1,715,599	2,071,336	1,615,066
TOTAL USE OF FUNDS	\$2,728,681	\$3,057,394	\$3,223,773	\$3,419,069	\$3,431,869	\$2,996,866

∞ ADMINISTRATIVE SERVICES DEPARTMENT ∞
Management Information Systems

FY 2007/08 KEY PROJECTS

Development of IT Master Plan Projects - MIS staff will continue to implement portions of priority projects identified in the IT Master Plan, including the implementation of e-government improvements and upgrade of the financial system.

Identification and implementation of New Systems Technology – Finalize implementation of online permit tracking system in collaboration with the system's primary user: Community Development Department. MIS staff will also work with the Police Department to assess options for replacing the aging Mobile Data Computer systems. Additional research on the Town's document management systems in effort to streamline existing processes and provide added functionality will also be assessed.

System Upgrades – Includes replacing selected computers, notebooks, servers, and printers as part of the replacement program.

Wireless Silicon Valley - The Town of Los Gatos has partnered with other cities in Santa Clara, San Mateo, and Santa Cruz Counties to engage a wireless provider to construct a wireless network throughout the region. The network would provide free or low-cost Internet services for residents and businesses, as well as support municipal applications such as the use of the network by public works field workers, police officers, and building inspectors. The selection of the provider(s) has occurred and the Town will work with the multi-jurisdictional group to deploy the service in Los Gatos, which is anticipated to be mid-2008.

KEY PROGRAM SERVICES

- Maintenance and upgrades of administrative network system (servers, PCs, notebooks, printers, hardware, & software)
- Town-wide MIS replacement program purchases
- Customer technical support
- Website management
- Research and planning for new technology solutions

ADMINISTRATIVE SERVICES DEPARTMENT
Management Information Systems

MANAGEMENT INFORMATION PROGRAM STAFFING

Full Time Equivalent (FTE)

	Authorized	2003/04	2004/05	2005/06	2006/07	2007/08
Town Staff	Positions	Funded	Funded	Funded	Funded	Funded
MIS Manager	1.00	1.00	1.00	1.00	1.00	1.00
Network Administrator	1.00	-	-	-	-	1.00
Help Desk Administrator	0.50	-	-	-	-	0.50
MIS Specialist*	0.50	2.00	2.00	2.00	2.00	0.50
Administrative Programs Mgr.	0.20	-	-	0.20	0.20	0.20
Finance Project Coordinator	-	0.25	0.25	-	-	-
Total MIS FTEs	3.20	3.25	3.25	3.20	3.20	3.20

* The MIS Specialist position is shared between the Clerk Administration (.25 FTE), Town Attorney (.25 FTE- Liability Self-Insurance) and Management Information Systems (.50 FTE).

Performance Objectives and Measures	2003/04	2004/05	2005/06	2006/07	2007/08
	Actual	Actual	Actuals	Estimated	Budget
1. Support the delivery of services to all the Town's customers through the use of SMART technology (Sensible, Multi-modal, Accessible, Responsive, and Time phased technology).					
a. Percent of time service requests are resolved within established guidelines	90%	94%	72%	80%	80%
b. Percent of network availability during normal business hours	99%	99%	100%	99%	99%
c. Percent of customers rating support as "good" or "excellent" based on timeliness and quality of service	Data Not Available	Data Not Available	Data Not Available	Data Not Available	Under Development

Activity and Workload Highlights	2003/04	2004/05	2005/06	2006/07	2007/08
	Actual	Actual	Actuals	Estimated	Budget
1. Number of PCs/Notebooks maintained:	111	138	138	158	168
2. Number of network servers maintained:	16	21	21	24	23
3. Number of network printers maintained:	36	36	36	37	37
4. Number of service requests received:	650	855	908	900	900

Administrative Service's Department

WORKERS COMPENSATION FUND FUND 610

FUND PURPOSE

The Town's Workers' Compensation Program provides for anticipated liabilities for worker compensation benefits. The Town self-insures for benefits provided to Town employees and volunteers for work-related injuries up to \$250,000 dollars, and has excess insurance coverage for claims up to \$25 million. The Town belongs to the Local Agency Workers' Compensation Excess (LAWCX) Joint Powers Authority for the purpose of pooling for this excess insurance. A third party administrator, Innovative Claims Solutions, Inc. (ICS), handles the day-to-day workers' compensation claims administration.

BUDGET OVERVIEW

Revenues to fund this program are derived as a percentage of salary each payroll period. Each department pays a portion of the program's cost based on gross wages and level of risk for the various job classifications within the department. The annual appropriation to this fund represents the self-insurance premiums paid by the operating departments. Service rates are established which maintains fund balance capacity at approximately two and one-half times the annual operating expense. Any excess funds are returned through reduced rates and fund balance transfers as needed.

Program costs covered in the internal rates include administration fees, claim settlement costs, attorney fees (outside counsel), medical expenses, payment for temporary and permanent disability, safety program administration and training, and excess insurance premiums. The FY 2007/08 budget maintains the workers' compensation-related funding at the same level as the prior year, adjusted by 3% for inflation. Although overall expenditures were less than budgeted for the prior year, more time is needed to evaluate whether the decrease in incurred costs will continue.

Staff is working with the Town's third party administrator to evaluate the impacts of recently enacted legislation for State's workers' compensation reform. Staff will continue to monitor workers' compensation reform activities and recommend adjustments to the Town's Workers Compensation Program as appropriate, should longer-term trends be identified.

⌘ ADMINISTRATIVE SERVICE'S DEPARTMENT ⌘
Workers Compensation Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
SOURCE OF FUNDS						
Beginning Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	1,997,543	1,719,089	1,817,055	2,190,557	2,190,557	2,212,549
Total Beginning Fund Balance	1,997,543	1,719,089	1,817,055	2,190,557	2,190,557	2,212,549
Revenues						
Charges for Services	498,290	582,124	587,024	595,700	595,000	613,500
Interest Income	18	24	47	-	25	-
Other Sources	-	5,133	47,107	-	-	-
Total Revenues	498,308	587,281	634,178	595,700	595,025	613,500
TOTAL SOURCE OF FUNDS	2,495,851	2,306,371	\$2,451,232	\$2,786,257	\$2,785,582	\$2,826,049
USE OF FUNDS						
Expenditures						
Salaries and Benefits	38,564	41,804	51,848	48,500	44,200	54,400
Operating Expenditures	613,198	447,512	208,827	552,040	528,833	550,040
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	651,762	489,316	260,675	600,540	573,033	604,440
Operating Transfers						
Transfer to General Fund	125,000	-	-	-	-	-
Total Operating Transfers	125,000	-	-	-	-	-
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	1,719,089	1,817,055	2,190,557	2,185,717	2,212,549	2,221,609
Total Ending Fund Balance	1,719,089	1,817,055	2,190,557	2,185,717	2,212,549	2,221,609
TOTAL USE OF FUNDS	2,495,851	2,306,371	\$2,451,232	\$2,786,257	\$2,785,582	\$2,826,049

FY 2007/08 KEY PROJECTS

Training Programs - The Town continues to look for opportunities to minimize Workers' Compensation program costs through promoting safe work practices and employee wellness programs. Staff is coordinating with the Town's third party insurance administrator (ABAG) to identify grants and training opportunities related to safety and injury/illness prevention.

Program Benefit Information – Staff will continue efforts to provide information to Town employees on workers' compensation benefits.

⌘ ADMINISTRATIVE SERVICE'S DEPARTMENT ⌘
Workers Compensation Fund

KEY PROGRAM SERVICES

- Coordinates the Town's Workers' Compensation program with contract administration firm
- Administers and/or coordinates work safety programs
- Promotes safe work practices and employee wellness
- Provides timely reporting of employee injury reports
- Provides information to employees regarding workers' compensation reporting
- Minimizes the Town's exposure to losses as a result of employee accidents or illnesses

WORKERS' COMPENSATION PROGRAM STAFFING

Full Time Equivalent (FTE)

<i>Town Staff</i>	Authorized Positions	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded	2007/08 Funded
Human Resources Director	0.20	0.20	0.20	0.20	0.20	0.20
Administrative Analyst	0.15	-	-	-	-	0.15
Human Resources Specialist	-	0.20	0.20	0.15	0.15	-
Total Workers Compensation FTEs	0.35	0.40	0.40	0.35	0.35	0.35



Administrative Services Department

OFFICE STORES FUND FUND 680

FUND PURPOSE

Photocopy equipment, postage, and bulk mail expenses are centrally funded through the Town's Office Stores program, and subsequently charged back to the appropriate department for services and materials utilized on a monthly basis. Due to limited personnel activity in the operations of this program, there are no staffing, key projects, or performance measures accounted for in this fund.

BUDGET OVERVIEW

The Office Stores program entered into four five-year lease arrangements for photocopiers between FY 2003/04 and FY 2005/06. The decision to lease new photocopiers rather than purchase was made after repeated breakdowns and quality issues with the old photocopiers. In addition, the resale value of photocopier machines after five years use is less than one-tenth of the cost, while lease agreements provide upgraded machines with repairs included, at equitable net costs under maintenance only agreements. The impact of these changes to the Office Stores Program is the elimination of depreciation expense in future years as the Town no longer owns the equipment.

The departments utilize the Office Stores Program for their copier expenditures as well as bulk mail and postage expenditures. Staff is evaluating vendors in order to combine existing Town leases and maintenance agreements for copiers and printers and will continue research into FY 2007/08.

Copy charge revenue and expenditures for FY 2007/08 remain relatively unchanged from the prior year's budget.

KEY PROGRAM SERVICES

- Provide postage and photocopy equipment and supplies for various Town Departments
- Monitor service levels and performance of copier and postage machines, maintaining and replacing equipment as needed.

ADMINISTRATIVE SERVICES DEPARTMENT
Office Stores Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
SOURCE OF FUNDS						
Beginning Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	194,752	218,253	230,219	242,110	242,110	243,000
Total Beginning Fund Balance	194,752	218,253	230,219	242,110	242,110	243,000
Revenues						
Charge for Services	88,340	88,910	84,199	86,000	79,500	86,000
Other Sources	29,126	641	394	-	390	-
Total Revenues	117,466	89,551	84,593	86,000	79,890	86,000
TOTAL SOURCE OF FUNDS	\$ 312,218	\$ 307,804	\$ 314,812	\$ 328,110	\$ 322,000	\$ 329,000
USE OF FUNDS						
Expenditures						
Salaries and Benefits	-	-	-	-	-	-
Operating Expenditures	93,965	77,585	72,702	83,350	79,000	84,600
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	93,965	77,585	72,702	83,350	79,000	84,600
Operating Transfers						
Transfer to General Fund	-	-	-	-	-	-
Total Operating Transfers	-	-	-	-	-	-
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	218,253	230,219	242,110	244,760	243,000	244,400
Total Ending Fund Balance	218,253	230,219	242,110	244,760	243,000	244,400
TOTAL USE OF FUNDS	\$ 312,218	\$ 307,804	\$ 314,812	\$ 328,110	\$ 322,000	\$ 329,000

Administrative Services Department

DOWNTOWN PARKING ASSESSMENT DISTRICT FUND 724

FUND PURPOSE

On December 5, 1988 the Town issued 25-year Limited Obligation Bonds in the amount of \$1,587,956.29. The net proceeds of the bonds were used to finance several parking improvement projects, which include: the construction of a surface lot known as Parking Lot No. 3, located in the block bounded by University and Santa Cruz Avenue, Grays Lane, and Royce Street; construction of surface lot No. 4 located in the block bounded by University and Santa Cruz Avenues, and Grays Lane and Elm Street; re-construction of an existing traffic island and adjacent street located at the intersection of East Main Street and Alpine Avenue, known as Parking Lot No. 8; and lastly, fund a portion of the construction costs of a two-level parking structure, collectively with the Redevelopment Agency's 1992 Certificate of Participation funding issuance in the amount of \$2,960,000.

The bonds are not a financial liability of the Town, and were issued upon and secured by unpaid assessments on properties within the Downtown Parking Assessment District. Installments of principal and interest sufficient to meet annual bond debt service are included in the property owner's regular county tax bills which represents a pro-rata share of the total principal and interest coming due that year. The pro-rata shares are based on the percentage of the unpaid assessment against the property relative to the total unpaid assessments levied to repay the bonds.

Property owners pay their assessments to the county, and the county remits the assessment monies to the Town. The Town makes semi-annual payments to the Trustee Bank on behalf of the property owners. Property owners may pay off their assessments to the Town at any time. These prepayments are retained in this fund (earning interest) and used to make bond payments as they become due.

To provide funds for the payment of the bonds, and interest due as a result of delinquent assessment installments, the Town is required to establish a special bond reserve equal to 5% of the aggregate principal amount of the bonds. Interest earnings on the special reserve are retained up to 8% of the aggregate principal amount of the bonds. This Trust Fund provides for the servicing of this special reserve, as well as the annual redemption of bonds.

BUDGET OVERVIEW

The budget for this fund is comprised of the expected assessment receipts and the semi-annual debt service payments made to the Trustee Bank. Interest expense continues to decrease each year as bonds mature. The September 2007 bond principal maturity payment of \$85,000 will leave an outstanding bond balance of \$685,000.

ADMINISTRATIVE SERVICES DEPARTMENT
Downtown Parking Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2003/04	2004/05	2005/06	2006/07	2006/07	2007/08
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
SOURCE OF FUNDS						
Beginning Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	292,579	301,302	323,371	320,349	320,349	318,089
Total Beginning Fund Balance	292,579	301,302	323,371	320,349	320,349	318,089
Revenues						
Assessments	141,856	159,081	138,206	137,740	137,740	141,580
Interest / Dividends	15,496	11,282	6,324	10,000	6,500	6,500
Total Revenues	157,352	170,363	144,530	147,740	144,240	148,080
TOTAL SOURCE OF FUNDS	\$ 449,931	\$ 471,665	\$ 467,901	\$ 468,089	\$ 464,589	\$ 466,169
USE OF FUNDS						
Expenditures						
Operating Expenditures	2,031	2,029	2,014	2,100	2,100	2,100
Debt Service	146,598	146,265	145,538	144,400	144,400	142,840
Total Expenditures	148,629	148,294	147,552	146,500	146,500	144,940
Operating Transfers						
Transfer to	-	-	-	-	-	-
Total Operating Transfers	-	-	-	-	-	-
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	301,302	323,371	320,349	321,589	318,089	321,229
Total Ending Fund Balance	301,302	323,371	320,349	321,589	318,089	321,229
TOTAL USE OF FUNDS	\$ 449,931	\$ 471,665	\$ 467,901	\$ 468,089	\$ 464,589	\$ 466,169

ADMINISTRATIVE SERVICE'S DEPARTMENT
Downtown Parking Assessment District

Town of Los Gatos
Limited Obligation Improvement Bonds, Series 88-1
Bond Debt Schedule

Fiscal Year	Annual Interest Rate	September Principal Payment	September Interest Payment	March Interest Payment	Fiscal Year Total Interest Payment	Bond Principal Balance @ YE
<i>Initial Bond Offering at December 5, 1988</i>				-		1,587,956
1989/90		-	91,127	61,434	152,560	1,587,956
1990/91	6.25	27,956	61,434	60,560	121,994	1,560,000
1991/92	6.50	30,000	60,560	59,585	120,145	1,530,000
1992/93	6.75	30,000	59,585	58,573	118,158	1,500,000
1993/94	7.00	30,000	58,573	57,523	116,095	1,470,000
1994/95	7.10	35,000	57,523	56,280	113,803	1,435,000
1995/96	7.20	35,000	56,280	55,020	111,300	1,400,000
1996/97	7.30	40,000	55,020	53,560	108,580	1,360,000
1997/98	7.40	40,000	53,560	52,080	105,640	1,320,000
1998/99	7.50	45,000	52,080	50,392	102,472	1,275,000
1999/00	7.60	50,000	50,392	48,493	98,885	1,225,000
2000/01	7.70	50,000	48,493	46,568	95,060	1,175,000
2001/02	7.80	55,000	46,568	44,423	90,990	1,120,000
2002/03	7.80	60,000	44,423	42,083	86,505	1,060,000
2003/04	7.90	65,000	42,083	39,515	81,598	995,000
2004/05	7.90	70,000	39,515	36,750	76,265	925,000
2005/06	7.90	75,000	36,750	33,788	70,538	850,000
2006/07	7.95	80,000	33,788	30,608	64,395	770,000
2007/08	7.95	85,000	30,608	27,229	57,836	685,000
2008/09	7.95	95,000	27,229	23,453	50,681	590,000
2009/10	7.95	100,000	23,453	19,478	42,930	490,000
2010/11	7.95	110,000	19,478	15,105	34,583	380,000
2011/12	7.95	120,000	15,105	10,335	25,440	260,000
2012/13	7.95	125,000	10,335	5,366	15,701	135,000
2013/14	7.95	135,000	5,366	-	5,366	-
TOTALS		1,587,956	988,196	926,762	1,914,958	

